

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  KEITH CHURCHILL,  Complainant,  v.  MIDAMERICAN ENERGY COMPANY,  Respondent.	DOCKET NO. C-01-132
--------------------------------------------------------------------------------------------------------------------	---------------------

**ORDER DENYING REQUEST FOR FORMAL COMPLAINT PROCEEDINGS**

(Issued June 29, 2001)

On March 15, 2001, Keith Churchill filed with the Utilities Board (Board) a written complaint against MidAmerican Energy Company (MidAmerican) on behalf of himself and other customers in Carlisle, Iowa. The complaint alleged that MidAmerican's practice of allocating the total therms used during December 2000 and January 2001 to each day during this period on an equal basis did not produce a monthly usage consistent with the dramatic difference in average temperature during each of the two months. Mr. Churchill alleges that the result of this practice is that too few therms were allocated to December 2000 and too many therms to January 2001. This adversely affected the January gas bills of Mr. Churchill and the other customers because of the higher gas supply rate in January 2001.

MidAmerican filed a response to Mr. Churchill's complaint on April 13, 2001. In the response, MidAmerican stated that due to the extreme weather in December

2000 it was unable to obtain actual meter readings for many customers.

MidAmerican stated that it recognized that the gas usage originally estimated for December 2000 did not take into consideration the below average temperatures and so it cancelled those bills and recalculated the bills using January 2001 meter readings to allocate more consumption to December.

MidAmerican then stated that it has been developing long-term improvements in its estimation logic. MidAmerican stated that it reviewed the bills of the individual accounts specifically mentioned by Mr. Churchill. For those accounts MidAmerican recalculated the bills and credited the account for any savings that resulted.

In accordance with 199 IAC 6.4, Board staff notified Mr. Churchill by letter dated May 4, 2001, that MidAmerican's response was being accepted as a proposed resolution of the informal complaint and that he had 14 days to file a request for formal complaint if he was not satisfied with the resolution. On May 17, 2001, Mr. Churchill mailed a letter requesting formal complaint proceedings.

On June 4, 2001, MidAmerican filed a response to the request for a formal complaint proceeding. In the response, MidAmerican stated that MidAmerican tariffs and Board rules are silent on how to compute an estimated bill. MidAmerican stated that it considers it important that it follow a consistent methodology in estimating bills. MidAmerican explained that it used a consistent method to redistribute the usage and to recalculate December usage for all customers as a one-time solution to the high January gas prices charged for the high December usage.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a letter on June 6, 2001, in response to the request for a formal

complaint proceeding. In the letter, Consumer Advocate stated that it appeared that MidAmerican complied with all applicable rules with regard to Mr. Churchill's complaint. Consumer Advocate stated that the Board is proposing changes to the bill estimation rules in Docket No. RMU-01-1 and that docket is the appropriate forum for the issues raised by Mr. Churchill. Consumer Advocate stated that based upon its review of the procedures and MidAmerican's inability to recalculate bills based upon degree-days, a formal complaint proceeding might not be beneficial. Consumer Advocate does recommend that MidAmerican determine whether it can do the necessary calculation for Mr. Churchill's bill.

Iowa Code § 476.3(1) (2001) provides, in part, that following informal complaint proceedings, "[t]he complainant or the public utility also may petition the board to initiate a formal proceeding which petition shall be granted if the board determines that there is any reasonable ground for investigating the complaint." This is the standard the Board applies to requests for formal complaint proceedings.

All documents contained in the file of an informal complaint proceeding are part of the record. 199 IAC 6.7. Thus, in determining whether there is any reasonable ground for instituting formal complaint proceedings, the Board reviews the entire file.

The Board has reviewed the file and finds that the issues raised by Mr. Churchill are also issues raised by other customers and by the Board in Docket No. RMU-01-1. There is no question that the extreme weather in December 2000 and the failure of MidAmerican to obtain actual readings for some customers resulted in gas bills that did not accurately track consumption for those customers. Current

Board rules do not require that estimated bills track degree days and consumption, and it appears that MidAmerican does not currently have the technical ability to recalculate the December 2000-January 2001 gas bills on that basis.

The Board believes that the proposed changes to the Board's rules on estimated bills should ameliorate this problem in the future. Under the current circumstances, though, the Board does not believe that a formal proceeding would provide any additional insight into the problem and it would not result in a more accurate calculation of the December 2000 and January 2001 bills for Mr. Churchill and the other affected customers.

**IT IS THEREFORE ORDERED:**

The request for formal complaint proceedings filed by Keith Churchill on May 17, 2001, is denied.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper  
Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 29<sup>th</sup> day of June, 2001.